

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

A. SCHULMAN, INC.,

Plaintiff,
vs.

CARL I. SCHWARTZ

Defendant.

W. RICHARD BRAUN III, P55100
MARTIN, BACON & MARTIN, P.C.
Attorney for Plaintiff
44 First Street, P.O. Box 2301
Mt. Clemens, MI 48046
(586) 979-6500

02-74765
Case No.
Hon. ROBERT H. CLELAND

MAGISTRATE JUDGE MORGAN

RECEIVED
U.S. DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
MOUNT CLEMENS
JULY 1 2002
FBI - DETROIT
FBI - CLE

COMPLAINT

There is no other pending or resolved civil action arising out of the transaction or occurrence alleged in this complaint.

W. Richard Braun III
W. Richard Braun, III

NOW COMES Plaintiff, A. SCHULMAN, INC., by and through its attorneys, MARTIN, BACON & MARTIN, P.C., and for its Complaint, states as follows:

1. Plaintiff, A. Schulman, Inc. (hereafter "ASI") is an Ohio Corporation created and organized by and under the laws of the State of Ohio and, by virtue of said incorporation, is a resident of the State of Ohio and was not and is not a

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UNT CLEMENS,
CHIGAN 48046

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corporation created or organized under the laws of the State of Michigan and was not and is not a citizen or resident of the State of Michigan.

2. Defendant, Carl I. Schwartz, resides in the City of Grand Blanc, County of Genesee, State of Michigan and is a Michigan citizen and resident.

3. Plaintiff ASI's principal place of business is Akron, Ohio.

4. This action involves a controversy between citizens of different states thus, it is an action over which the District Court of the United States is given original jurisdiction.

5. The amount in controversy exceeds \$75,000, the jurisdictional amount for cases in US District Court.

6. Defendant was the owner of Plastics Research Corporation ("PRC"), a Michigan corporation located in the City of Flint, County of Genesee.

7. PRC filed for bankruptcy and ended its operations in June of 2002.

8. When PRC ended its operations in January of 2002, it owed ASI \$76,508.00. (Exhibit A).

9. Defendant personally guaranteed payment of the obligations of PRC owed to ASI.

COUNT I

BREACH OF CONTRACT

10. Plaintiff realleges and reasserts paragraphs 1 through 9 as though fully set forth herein.

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11. On the 13th day of March, 1989, ASI and Defendant mutually agreed and formed a personal guarantee contract whereby Defendant would personally guarantee the debts of PRC. (Exhibit B).

12. The above referenced contract was supported by mutual consideration.

13. ASI has requested Defendant to satisfy his obligations pursuant to the personal guarantee. (Exhibit C).

14. Defendant's failure to satisfy his duties and obligations under the personal guarantee constitutes a breach of contract.

15. ASI has been damaged in the amount of \$76,508.00 as a result of Defendant's breach of the personal guarantee.

WHEREFORE Plaintiff, A. SCHULMAN, INC., requests a judgment against Defendant in the amount of \$76,508.00 plus costs and expenses, including attorney fees.

COUNT II

FRAUD

16. Plaintiff realleges and reasserts paragraphs 1 through 15 as though fully set forth herein.

17. Defendant made a representation of a material fact to ASI when the parties entered into the personal guarantee contract.

18. Defendant represented that he would personally guarantee the debts and obligations of PRC.

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19. Defendant knew the representation was false when he made it, or Defendant made it recklessly, that is, without knowing whether it was true.

20. Defendant made the representation with the intent that ASI would rely upon the representation and grant credit to Defendant's company, PRC.

21. Plaintiff relied on the false representation of Defendant and extended credit on Defendant's statements to PRC.

22. Plaintiff was damaged as a result of its reliance because PRC ended its operations owing money to ASI and Defendant has not satisfied his personal guarantee.

WHEREFORE Plaintiff, A. SCHULMAN, INC., requests a judgment against Defendant in the amount of \$76,508.00 plus costs and expenses, including attorney fees.

COUNT III

MISREPRESENTATION

23. Plaintiff realleges and reasserts paragraphs 1 through 22 as though fully set forth herein.

24. Defendant made a representation of material fact to ASI that he would personally guarantee the debts of PRC.

25. The representation was made in connection with the making of a contract between ASI and Defendant to grant credit to PRC.

26. Defendant's representation was false when it was made.

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27. ASI would not have entered into the contract and granted credit to PRC if Defendant had not made the representation.

28. Plaintiff had a loss in the amount of \$76,508.00 as a result of entering into the contract.

29. ASI's loss benefited Defendant, as owner of PRC.

WHEREFORE Plaintiff, A. SCHULMAN, INC., requests a judgment against Defendant in the amount of \$76,508.00 plus costs and expenses, including attorney fees.

MARTIN, BACON & MARTIN, P.C.

BY: 

W. RICHARD BRAUN, III, P55100
Attorney for Plaintiff
44 First Street
P.O. Box 2301
Mt. Clemens, MI 48046
(586) 979-6500

Dated: November 27, 2002

AW OFFICES OF
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MARTIN, P.C.
4 FIRST STREET
P.O. BOX 2301
MOUNT CLEMENS,
MICHIGAN 48046

(586) 979-6500

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

A. SCHULMAN, INC.,

Plaintiff,

vs.

Case No.
Hon.

CARL I. SCHWARTZ

Defendant.

W. RICHARD BRAUN III, P55100
MARTIN, BACON & MARTIN, P.C.
Attorney for Defendant
44 First Street, P.O. Box 2301
Mt. Clemens, MI 48046
(586) 979-6500

DEMAND FOR JURY TRIAL

NOW COMES Plaintiff, A. SCHULMAN, INC., by and through its attorneys,
MARTIN, BACON & MARTIN, P.C., and hereby requests a trial by jury in this action.

MARTIN, BACON & MARTIN, P.C.

BY: 
W. RICHARD BRAUN, III, P55100
Attorney for Plaintiff
44 First Street
P.O. Box 2301
Mt. Clemens, MI 48046
(586) 979-6500

Dated: November 27, 2002

AW OFFICES OF
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MARTIN, P.C.
44 FIRST STREET
P.O. BOX 2301
MOUNT CLEMENS,
MICHIGAN 48046

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PROOF OF SERVICE

The undersigned certifies that a copy of the foregoing instrument was served upon the attorneys of record of all parties to the above cause by mailing the same to them at their respective business addresses as disclosed by the pleadings of record herein, with postage fully prepaid thereon, on the 2nd day of December, 2002. I declare under penalty of perjury that the statements contained above are true to the best of my information, knowledge and belief.

Kimberly Bunch

Kimberly Bunch

AW OFFICES OF
**MARTIN, BACON
MARTIN, P.C.**
14 FIRST STREET
P.O. BOX 2301
COUNT CLEMENS,
MICHIGAN 48046

586) 979-6500

**A Schulman Inc.******* REPRINT *****

Remit to: A. Schulman, Inc.
P.O. Box 74052
Cleveland OH 44194

Order No.: 0127474 / 00

Invoice No.: 1100637

Invoice Date: 6/06/01

Payment Due: 7/21/01

Payment Terms: NET 45 DAYS AFTER INVOICE DATE

Customer Acct. No: 073569 / 000

Salesman: H. Leathers

Salesman No.: 074

Total Due

14,805.60

PLASTICS RESEARCH CORP
 3200 ROBERT T LONGWAY BLVD
 FLINT MI 485064043

Ship to:
 PLASTICS RESEARCH CORP
 3200 ROBERT T LONGWAY BLVD
 FLINT MI 485064043

Order Number	Ship Date	Ship Via	Ship Terms	Bill of Lading	Gross Wt.	Tare	Net Wt.
O#130259	6/06/01	BULKMATIC TRANSPORT	FOB DELIVE	L108473	75880.000	28120.000	47760.000

Item Number	Description	Quantity	Unit Price	Extension
03422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050	47760.000 LB	.31000	14805.60
			SUB-TOTAL	14805.60

Customer Service 800-547-3746
Thank You For Your OrderPage 1**Total Amount**

14,805.60

**A. Schulman Inc.**

*** REPRINT ***

Remit to: A. Schulman, Inc.
P.O. Box 74052
Cleveland OH 44194

Order No.: 0127475 / 00

Invoice No.: 1100743

Invoice Date: 6/06/01

Payment Due: 7/21/01

Payment Terms: NET 45 DAYS AFTER INVOICE DATE

Customer Acct. No: 073569 / 000

Salesman: H. Leathers

Salesman No.: 074

Total Due

16,256.40

PLASTICS RESEARCH CORP
3200 ROBERT T LONGWAY BLVD
FLINT MI 485064043

Ship to:
PLASTICS RESEARCH CORP
3200 ROBERT T LONGWAY BLVD
FLINT MI 485064043

Order Number	Ship Date	Ship Via	Ship Terms	Bill of Lading	Gross Wt.	Tare	Net Wt.
1#130259	6/06/01	BULKMATIC TRANSPORT	FOB DELIVE	L108477	81200.000	28760.000	52440.000

Item Number	Description	Quantity	Unit Price	Extension
3422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050	52440.000 LB	.31000	16256.40
			SUB-TOTAL	16256.40

Customer Service 800-547-3746
Thank You For Your Order

Page 1**Total Amount**

16,256.40

**A. Schulman Inc.******* REPRINT *****

Remit to: A. Schulman, Inc.
P.O. Box 74052
Cleveland OH 44194

Order No.: 0127685 / 01

Invoice No.: 1100883

Invoice Date: 6/07/01

Payment Due: 7/22/01

Payment Terms: NET 45 DAYS AFTER INVOICE DATE

Customer Acct. No: 073569 / 10B

Salesman: H. Leathers

Salesman No.: 074

Total Due

15,047.40

PLASTICS RESEARCH CORP
 3200 ROBERT T LONGWAY BLVD
 FLINT MI 485064043

Ship to:
 PLASTIC RESEARCH CORPORATION
 3200 ROBERT T LONGWAY BOULEVARD
 FLINT MI 485064043

Order Number	Ship Date	Ship Via	Ship Terms	Bill of Lading	Gross Wt.	Tare	Net Wt.
# 130259	6/07/01	BULKMATIC TRANSPORT	FOB DELIVE	L108658	76960.000	28420.000	48540.000
Item Number	Description		Quantity	Unit Price	Extension		
3422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050		48540.000 LB	.31000	15047.40		
					SUB-TOTAL		
					15047.40		
Customer Service 800-547-3746 Thank You For Your Order				Total Amount	15,047.40		

**A. Schulman Inc.**

*** REPRINT ***

Remit to: A. Schulman, Inc.
P.O. Box 74052
Cleveland OH 44194

Order No.: 0127692 / 00

Invoice No.: 1101216

Invoice Date: 6/12/01

Payment Due: 7/27/01

Payment Terms: NET 45 DAYS AFTER INVOICE DATE

Customer Acct. No: 073569 / 10B

Salesman: H. Leathers

Salesman No.: 074

Total Due

14,917.20

PLASTICS RESEARCH CORP
3200 ROBERT T LONGWAY BLVD
FLINT MI 485064043

Ship to:
PLASTIC RESEARCH CORPORATION
3200 ROBERT T LONGWAY BOULEVARD
FLINT MI 485064043

Order Number	Ship Date	Ship Via	Ship Terms	Bill of Lading	Gross Wt.	Tare	Net Wt.
# 130259	6/12/01	BULKMATIC TRANSPORT	FOB DELIVE	L108783	78540.000	28420.000	48120.000

Item Number	Description	Quantity	Unit Price	Extension
3422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050	48120.000 LB	.31000	14917.20
			SUB-TOTAL	14917.20

Customer Service 800-547-3746
Thank You For Your Order

Page 1**Total Amount**

14,917.20

**A. Schulman Inc.**

Remit to: A. Schulman, Inc.
P.O. Box 74052
Cleveland OH 44194

*** REPRINT ***

Order No.: 0127691 / 00

Invoice No.: 1101226

Invoice Date: 6/12/01

Payment Due: 7/27/01

Payment Terms: NET 45 DAYS AFTER INVOICE DATE

Customer Acct. No: 073569 / 10B

Salesman: H. Leathers

Salesman No.: 074

Total Due

15,481.40

PLASTICS RESEARCH CORP
3200 ROBERT T LONGWAY BLVD
FLINT MI 485064043

Ship to:
PLASTIC RESEARCH CORPORATION
3200 ROBERT T LONGWAY BOULEVARD
FLINT MI 485064043

Order Number	Ship Date	Ship Via	Ship Terms	Bill of Lading	Gross Wt.	Tare	Net Wt.
I# 130259	6/12/01	BULKMATIC TRANSPORT	FOB DELIVE	L108781	78560.000	28620.000	49940.000

Item Number	Description	Quantity	Unit Price	Extension
3422BT	POLYPROPYLENE PP 1930L-01 NATURAL PART# 035-012-050 / 3422BT PART# 035-012-050	49940.000 LB	.31000	15481.40
			SUB-TOTAL	15481.40

Customer Service 800-547-3746
Thank You For Your Order

Page 1**Total Amount**

15,481.40



SQUIRE, SANDERS & DEMPSEY LLP.

4900 Key Tower
 127 Public Square
 Cleveland, Ohio 44114-1304
 Office: +1.216.479.8500
 Fax: +1.216.479.8780

(216) 479-8686

May 10, 2002

VIA CERTIFIED MAIL

Dr. Carl Swartz
 Plastic Research Corp.
 3200 Robert T. Longway Blvd.
 Flint, MI 48506

**Re: Payment Owed to A. Schulman, Inc. under the March 13, 1989 Personal
 Guarantee by Dr. Swartz (the "Guarantee")**

Dear Dr. Swartz:

The undersigned and this law firm are attorneys for A. Schulman, Inc. Under the Guarantee referenced above, a copy of which is attached hereto, Dr. Swartz, as guarantor for Plastic Research Corp., promised to pay A. Schulman, Inc. within terms the outstanding balance of \$76,508.00 on invoices owed to it by Plastic Research Corporation for credit provided by A. Schulman, Inc. between June 6, 2001 and June 12, 2001.

It is now May 1, 2002 and Plastic Research is in payment default. Accordingly, by this letter, A. Schulman, Inc. demands payment from Dr. Swartz under the Guarantee. As legal counsel for A. Schulman, Inc., I am requesting that a check in the amount of \$76,508.00 made payable to A. Schulman, Inc. be forwarded to my attention by the close of business on May 17, 2002. Failure to submit such payment by that date shall result in further legal action to recover the outstanding balance owed to my client.

Please govern yourself accordingly.

Very truly yours,

Christine M. Pierpont

**THIS LAW FIRM IS ATTEMPTING TO COLLECT THE INDEBTNESS EVIDENCED
 BY INVOICES AND/OR THE GUARANTEE AND ANY INFORMATION OBTAINED BY
 THIS LAW FIRM OR A. SCHULMAN, INC. WILL BE USED FOR THIS PURPOSE.**

GUARANTEEA. SCHULMAN INC.,
Akron, Ohio 44309Date MARCH 13, 1989

In consideration of your granting the credit requested below and because of certain benefits to us, the undersigned requests A. Schulman Incorporated to give credit to

PLASTIC RESEARCH CORPORATION
316 LINCOLN STREET
FENTON, MICHIGAN

hereinafter referred to as principal debtor, for goods which may be ordered by principal debtor to such extent as said A. Schulman Incorporated is willing, and in consideration of its so giving credit, the undersigned hereby guarantees to said A. Schulman Incorporated payment of the purchase price, as and when the same becomes due, for all goods for which credit is so given, and also payment on their respective due dates on any notes or other obligations which may be given by principal debtor in payment for such goods and of renewals and extensions thereof.

This guarantee shall continue until A. Schulman Incorporated shall receive from the undersigned written notice of revocation, which revocation shall be effective only as to payment of purchase price on goods ordered by principal debtor after the receipt thereof.

The undersigned waives notice of acceptance hereof and of purchase by principal debtor or default of principal debtor in making payments due, and authorizes the said A. Schulman Incorporated to extend the time for any payment guaranteed hereunder and otherwise to contract and deal with the principal debtor without notice to the undersigned and without the undersigned's consent in all respects at A. Schulman Incorporated discretion without affecting the undersigned's obligation hereunder.

The undersigned further waives any requirement that A. Schulman Incorporated institute legal proceedings against the principal debtor.



Signed

Title

Signed

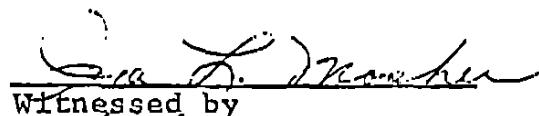
Title

Signed

Title

Witnessed by

Date



4/5/87

A. SCHULMAN INC.,
Akron, Ohio 44309

Date MARCH 13, 1989

In consideration of your granting the credit requested below and because of certain benefits to us, the undersigned requests A. Schulman Incorporated to give credit to

PLASTIC RESEARCH CORPORATION
316 LINCOLN STREET
FENTON, MICHIGAN

hereinafter referred to as principal debtor, for goods which may be ordered by principal debtor to such extent as said A. Schulman Incorporated is willing, and in consideration of its so giving credit, the undersigned hereby guarantees to said A. Schulman Incorporated payment of the purchase price, as and when the same becomes due, for all goods for which credit is so given, and also payment on their respective due dates on any notes or other obligations which may be given by principal debtor in payment for such goods and of renewals and extensions thereof.

This guarantee shall continue until A. Schulman Incorporated shall receive from the undersigned written notice of revocation, which revocation shall be effective only as to payment of purchase price on goods ordered by principal debtor after the receipt thereof.

The undersigned waives notice of acceptance hereof and of purchase by principal debtor or default of principal debtor in making payments due, and authorizes the said A. Schulman Incorporated to extend the time for any payment guaranteed hereunder and otherwise to contract and deal with the principal debtor without notice to the undersigned and without the undersigned's consent in all respects at A. Schulman Incorporated discretion without affecting the undersigned's obligation hereunder.

The undersigned further waives any requirement that A. Schulman Incorporated institute legal proceedings against the principal debtor.


Signed

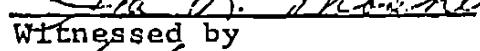

Title

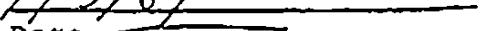

Signed

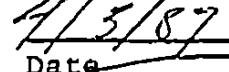

Title


Signed


Title


Witnessed by


Date


4/5/87